

017 - COUNTY EXECUTIVE OFFICE

Operational Summary

Mission:

The mission of the County Executive Office is to support and implement Board policy through corporate direction, communication and coordination of strategic and regional planning, and to ensure effective service delivery through efficient management of the County's workforce and resources.

Strategic Goals:

- Support the Board of Supervisors in developing and implementing a long term vision for the County of Orange.
- Continue to develop, implement and communicate the components of the County's Corporate Management System, promoting the County as an accountable and efficient government organization, partner with the community and desirable employer.
- Support the Board in implementation of the El Toro reuse planning process.
- Integrate and coordinate County regional planning efforts to ensure the delivery of quality services.
- Provide leadership and service in the development of the County's human resources, technology, financial and administrative infrastructure.
- Support the Board in developing and actively pursuing the Orange County Legislative Platform.
- Continue to integrate and strengthen management and internal support services within the County Executive Office.

Key Outcome Measures:

Performance Measure	FY 2000-2001 Results	FY 2001-2002 Target	How are we doing?
COUNTY CREDIT RATINGS PER RATING AGENCIES (I.E., MOODY'S, STANDARD & POORS, FITCH). What: Indicates the extent to which the financial community has confidence in overall County management. Why: Credit ratings are the opinion of investors in the ability of entity to honor financial obligations.	Moody's Investors Service issued the County of Orange a rating of Aa3 in September 1999 and upgraded it to Aa2 in April 2001.	Maintain the current Moody's rating of Aa2.	Moody's upgraded the rating in 19 months based on the County's prudent fiscal management and diversified, healthy local economy.
COUNTY PROPOSED BUDGET CONSISTENCY, MEASURED IN DOLLARS AND PROJECTS, TO STRATEGIC FINANCIAL PLAN. What: Indicates extent to which departments consider Strategic Financial Plan to develop programs/budgets. Why: The annual budget implements the first year of the Financial Plan so the two must be consistent.	The plan for FY 00-01 was \$413 million with 10 projects. Budget was approximately \$419 million with 10 strategic priorities.	The plan for 01-02 is \$455 million and 12 projects	Budget was approximately \$419 million with 10 strategic priorities. The 00-01 Budget was within 1.5% of the plan amount. Ten of the planned projects were funded.

Key Outcome Measures: (Continued)

Performance Measure	FY 2000-2001 Results	FY 2001-2002 Target	How are we doing?
CONSISTENCY OF DEBT REDUCTION COMPARED TO STRATEGIC FINANCIAL PLAN. What: Indicates if the County is paying off its debt as scheduled. Why: The more debt retired, the sooner dollars are available to meet the Board's strategic priorities.	The target for FY 2000-01 was to eliminate \$20 million of the 1995 Refunding Recovery Bonds. Instead, funds were used to defease all remaining Pension Obligation Bonds.	The target is to realize at least \$2 million savings in Recovery Bond Interest.	The 2001 Plan increases the amount available for debt reduction by over \$11 million.
PERCENT OF TARGETED EMPLOYEES INVOLVED IN CORPORATE MANAGEMENT SYSTEM TRAINING. What: Indicates participation in employee training designed to aid attainment of organizational goals. Why: Training helps align employees with organizational goals, which directly benefits the community.	6000 employees received PIP training, 300 Enlightened Leadership, 544 voluntary MPP training, and 278 were in follow-up workshops. Satisfaction with PIP performance planning process was 85%. PIP publications rated 90% effective. PIP final review segment received 80 to 85% participant satisfaction.	Results achieved exceeded target. Target will be eliminated as a 2002 measure.	PIP participation meets targeted outcome of new employees being trained. PIP Brown Bag seminars, Breakfast Briefings & Townhalls participation is rising. MPP goal setting sessions were well attended. Enlightened Leadership seminars offered monthly for new managers and supervisors are well attended.
TREND IN COUNTY OVERHEAD RATE. What: Indicates amount spent on overhead versus actual service provision. Why: A lower rate indicates efficient delivery of support services and avails funds for direct services.	This was a new indicator for FY 00-01.	None	This indicator will be removed or replaced in FY 02-03.
PERCENT OF DEPARTMENT BUSINESS PLANS CONTAINING/REPORTING OUTCOME MEASURES. What: To show if programs accomplish intended results and communicate outcomes to the Board and community. Why: To show whether programs accomplish intended results and communicate this to Board and community.	100% of the 2000 Departmental Business Plans contained outcome measures.	None	This indicator will be removed or replaced in FY 02-03.
DECREASE IN THE FY 2005/06 PROJECTED FINANCIAL SHORTFALL. What: Indicates extent CEO and departments succeed in addressing a projected budget shortfall in FY05-06. Why: The County must have a balanced annual budget.	The updated plan of December 2000 indicated the gap had been narrowly closed.	None	This indicator will be removed or replaced in FY 02-03.
PERCENT OF DEPARTMENTS PARTICIPATING IN CEO APPROVED COUNTYWIDE DATA COMMUNICATIONS INFRASTRUCTURE. What: Indicates extent of departments participating in CEO approved info & technology infrastructure. Why: Participation will enhance communication between departments and provide secure infrastructure.	3 additional departments migrated to the approved Countywide data communications infrastructure.	Target is for 3 additional departments to migrate.	So far, 20 departments have migrated to approved Countywide data communication infrastructure. There are three remaining departments to assimilate into the ATM network. Plans are being implemented to transition those remaining departments.
PERCENT OF EMPLOYEES WHO REACH PERFORMANCE GOALS. What: Indicates whether or not the majority of employees are meeting individual performance goals set. Why: Broad indicator of management and employee's goal assessment consistent with business plan & budget.	Data being accumulated.	99% of managers meeting goals set in management performance plan.	Data on represented employees meeting goals will be available in January 2002. Relative to Management Pay for Performance Plan completed in 2000, and based on Department Head assessment, 99% of managers met goals that were consistent with departmental business goals and objectives.
COST OF COUNTY RISK AS A RATIO OF TOTAL COUNTY REVENUE. What: Industry wide Risk Management measure of dollars spent on claims & damages costs, to total revenue. Why: Resources spent on claims and damages are not available for important strategic priorities.	Orange County's Cost of Risk is \$9.24 per \$1,000 of revenue for FY 2000-01.	Maintain the County's Cost of Risk at or below the annually published industry median cost.	For FY 00-01, Orange County's Cost of Risk was \$9.24 for every \$1000 of revenue, 27% below the industry's median cost of \$12.69

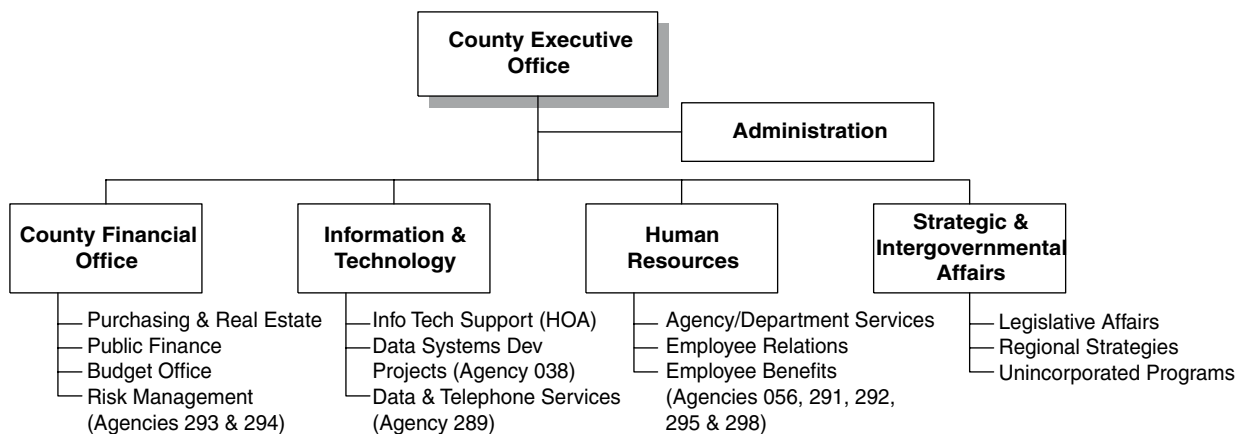
Fiscal Year 2000-01 Key Project Accomplishments:

- 100% of Pension Obligation Bonds, at a maturity value of \$639.1 million, were eliminated. 45% were successfully tendered and the remaining bonds were prepaid through an economic defeasance, saving the County \$30 million in annual principal and interest.
- Received credit upgrades from Standard & Poor's to "A," from Fitch IBCA to "AA-", and from Moody's on Pension Obligation Bonds to "Aa2."
- Reached settlements with all parties and negotiated with the Representative the final distribution of bankruptcy litigation settlement funds.
- Defeased \$10 million remaining 1990 Rancho Santa Margarita 86-2 Bonds.
- Re-marketed the \$34 million Teeter Revenue Bond Series D and downsized the Series A Taxable bonds from \$5 million to \$2.6 million.
- Published second Community Indicators Report that assesses the progress Orange County has made in major policy areas.
- County Budget process was enhanced, and the annual Budget Book was redesigned, to incorporate the use of performance measures to evaluate requests for new County resources and focus Departmental attention on ways to use fewer County resources. The Budget Book was totally redesigned for FY 2000-01 to include a three part layout for departmental budgets (operational summary, organizational summary and budget summary). These layouts contain performance measurement results, key accomplishments, new organization charts, ten-year staffing trend charts, narrative explaining how the departmental budget supports the County's strategic priorities, budget recaps with historical data for context and improved graphic design. Budget structures for departments undergoing organizational assessments were reviewed and modified as needed to be consistent with the final assessment reports.
- The results oriented government project progressed with the completion of performance measures for the Phase III departments. Key performance measures and the first reporting of results for all departments were included in the County Budget Book.
- Discover 2000 "Faces of the County 2001 Partnership" public awareness campaign implemented in the Orange County Register.
- Implemented first cycle of Management Performance Plan ratings and pay-outs and provided training to all impacted managers on competencies for 2001 Plan cycle.
- Completed PIP training for 16,000 employees.
- Received Honorable Mention Award for PIP from CSAC regarding "The Best and Brightest County Practices".
- Increased employee and public access to information by enhancing or implementing a number of websites (MPP, PIP, Classification, Volunteers, Rideshare).
- Streamlined a number of processes through automation including the Virtual Employment Center, On-Line Training registration, and Payroll timekeeping.
- Implemented "Board TV," weekly televised programs of the Board of Supervisor meetings.
- Initiated development of Leadership Academy.
- Continued Enlightened Leadership Program, developing Module 6 ("Working With People Who Challenge You") and implementing pilot of online version.
- Partnered with OCPL to establish direct internet access to County website at all branches.

- County Volunteer Program selected as National Point of Light, recruiting more than 23,000 volunteers that contributed approximately 675,000 hours of service in 1999. Their combined efforts are valued at more than \$13 million in avoided costs to the County.
- The \$1.3 million savings from the Sheriff-Marshall merger was recognized in the FY 2000-01 First Quarter Budget Report
- In partnership with County agencies, the Children and Families Commission, and non-profit organizations, provided staff support and/or technical assistance to secure approximately \$30M in funding for homeless prevention and related programs. Coordinated the efforts of numerous public/private agencies to provide site outreach and public services at homeless encampments, motel enclaves, as well as National Guard Armories during the winter months. In addition, provided the coordination efforts to facilitate the ongoing regional planning for Continuum of Care System.
- 209 low and moderate income, first time home buyers were assisted with loans totaling \$34.3 million for home purchases through the Single Family Housing Mortgage Revenue Bond Program (Southern California Home Financing Authority joint powers authority). 85 low and moderate income, first time home buyers were assisted with mortgages totaling \$12.5 million for home purchases through the Mortgage Credit Certificate Program.
- In cooperation with the League of Cities and LAFCO, developed a small island annexations study to annex islands over a two year period.
- Completion of Foothill Ranch and Portola Hills annexations and successful negotiations and agreements with City of Lake Forest over Concourse Park, Foothill Ranch Library Community Room, incorporation of Aliso Viejo, traffic enhancement services with the CHP for Coto de Caza, and annexations by the City of Laguna Hills.
- Completion of Census 2000 outreach effort.
- Completion of the Lange Drive affordable housing project in Santa Ana Heights, establishing 75 units for the low to very low income population.
- Established a Foster Care Task Force to review gaps and needs in the delivery of Foster Care services.
- Rebid PPO Plan and Management and Attorney dental claims administration realizing a 20% cost reduction with an increase in services provided.
- Completed organizational assessment and received Board approval of CSA/Special Programs, DA/Family Support Division to implement federal Workforce Investment Act.
- Served as chair of DA/Family Support Transition Team, identifying and addressing issues for the transition of the FSD into separate County Child Support Services Department.
- Completed preliminary assessment of Registration & Elections Department and provided recommendations approved by the Board.
- Participated in the Phase II organizational study of the Health Care Agency.
- Established IT governance structure including establishment of a Technical Steering Committee and Operations Council to provide Countywide consistency.
- The ATM Network now supports all but four County departments. A strategy to extend the network to small sites was developed and is now available.
- The largest IT services contract in the County's history was completed and approved by the Board in September 2000.
- The budget instructions for FY 2000-01 required departments to comply with Net County Cost targets, identify ways to reduce or minimize reliance on General Funds and justify requests for new General Funds with performance measures. Departments met the first year goal of a \$5 million savings compared to the 2000 Strategic Financial Plan targets.

- Issuance of the Safety and Loss Prevention Resource Manual to every department; Departmental Safety Representative provided new and coordinated safety training and operational resources. New and more frequent training in insurance and workers' compensation programs were provided. Customer satisfaction surveys were provided at each training class and sent to others users of these services as well.
- Secured \$28 million in federal appropriations for continuation of the Santa Ana River Project, \$1.5 million for assistance with MCAS El Toro, and \$2 million for environmental programs.
- Transferred trial court employees from the County to an independent personnel system.
- The CEO provided recommended uses of Tobacco Settlement funds consistent with the 2000 Strategic Financial Plan priorities. Analysis and comparison of competing ballot initiatives was performed and provided to the Board. The CEO also provided staff support to the Board committee that was negotiating with health community advocates on the use of the funds. Final recommendations, consistent with Measure H were adopted as part of the 2001 Strategic Financial Plan.

Organizational Summary



COUNTY EXECUTIVE OFFICE - Provides leadership and oversight for County operations to ensure fiscal integrity, policy coordination, and general management accountability. Other responsibilities include developing and implementing a comprehensive and coordinated communications strategy for the County for the purpose of promoting County programs and activities and coordinating all federal and state legislative advocacy efforts. This office now includes administrative support to CEO staff.

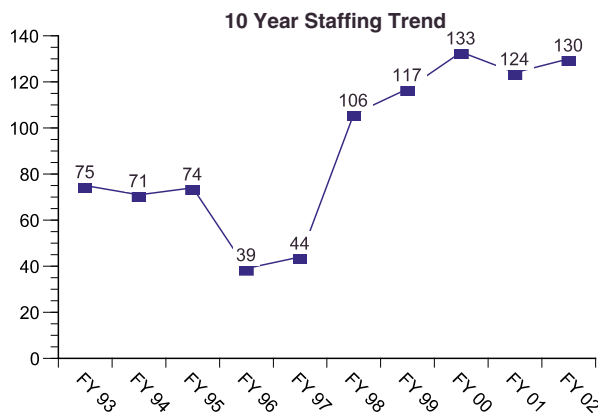
COUNTY FINANCIAL OFFICE - Provides leadership and manages the overall financial operations of the County. Major responsibilities include long-range strategic financial planning, public finance, risk management, budget, corporate purchasing and real estate support.

INFORMATION & TECHNOLOGY - Provides leadership in planning and implementing corporate data communications and technology investments to achieve County goals and objectives. Major responsibilities include data center operations and telephone services, wide and local area network operation and support, and applications development and programming. This office now includes Hall of Administration information and technology support staff.

HUMAN RESOURCES - Provides leadership in change management, and in developing organizational design, best practices and people strategies that allow the County to attract, select, and retain business-required talent. Major responsibilities include labor contract negotiation and interpretation, development of human resource policy and program initiatives designed to encompass public/private best practice strategies, policy compliance auditing, benefits administration, and employee development and training programs.

STRATEGIC & INTERGOV AFFAIRS - Provides leadership in the planning and establishment of effective governance structures and relationships for the accomplishment of County corporate, as well as regional goals and objectives. Major responsibilities include coordination of all federal and state legislative advocacy efforts, conducting organizational assessments, providing oversight and coordination of a number of critical regional issues (e.g., watershed, homelessness, child care, annexation/incorporations) and administering the Orange County Development Authority, the Comprehensive Economic Development Strategy, the Office of Protocol and tourism activities.

Ten Year Staffing Trend:



Ten Year Staffing Trend Highlights:

- FY 97/98 - As a result of County restructuring, the Office of Human Resources (HR), Purchasing, Real Estate, and the Records Management Program (Record Center), and an accompanying 62 positions, merged into the County Executive Office. Prior to FY97/98, the Office of HR was an independent operating agency, and Purchasing, Real Estate, and the County Records Center were divisions within General Services Agency, which was disbanded during the restructuring process.
- FY 98/99 - Positions were increased to support strategic priorities and other activities, such as Real Estate, Homeless Issues Coordination, and El Toro Master Development Program. This included position transfers from other operating agencies, i.e., PF&RD and HCD, to the CEO, as well as some limited-term positions.
- FY 99/00 - Positions were increased to support strategic priorities. This included a position transfer from SSA, ongoing program support conversions from extra help to regular, and limited-term positions to support the El Toro Master Development Program.

- FY 00/01 - Positions decreased as limited-term positions related to El Toro MCAS were deleted.
- FY 01/02 - One position was added to Human Resources for clerical support of the Volunteer Program and virtual employment center. Two long term extra help positions were converted to regular positions; one for Strategic Affairs to support Media Relations and one to support CEO Administration. Four positions were transferred in from Data Systems to support the Hall of Administration. In the Final Budget one additional position was added in Purchasing to jointly support both Children and Families Commission and the LRA. Mid year, in 00-01, four positions were transferred from CEO to the Local Redevelopment Authority and two positions were added for the Watershed Program and child care coordination.

Budget Summary

Plan for Support of the County's Strategic Priorities:

The County Executive Office will lead the Board's strategic planning process, updating the Strategic Financial Plan and continuing development and implementation of the County's Corporate Management System, integrating and coordinating regional planning efforts, including support of the El Toro reuse, providing leadership in the development of the County's human resources, technology, financial and administrative functions, and support the Board in developing and pursuing the Orange County Legislative Platform.

Changes Included in the Base Budget:

The CEO's office reflects an organization which now includes the Watershed Program, which was transferred in at mid year. Four positions were transferred into the CEO's Office to support the Hall of Administration network requirements. These were transferred from the newly merged Data/Telephone fund. The El Toro/MCAS Program has been moved out of CEO, reporting to the Board of Supervisors. The Strategic Plan no longer provides funding for the Tourism and Economic Development Program. Increases are included for program administration in Public Finance, addition of Lock-

heed Martin support staff, several projects to increase communication internally and externally, and new or increased involvement in areas such as televised Board meetings, legislative contingencies, Criminal Justice, Water Committee, foster care and energy conservation.

Approved Budget Augmentations and Related Performance Results:

Unit/Amount	Description	Performance Plan	Ref. Num.
Human Resources LEAD Academy Amount:\$ 320,000	LEAD Academy to deliver consistent, centralized management training in leadership positions.	Indicators of performance management incorporated as assessment tool. MPP & PIP surveys as baseline	017-001
Film Commission Funding Amount:\$ 100,000	Board directed Film Commission funding	Status Report submittal on a trimester basis based on progress of tasks identified	017-002
Procurement Contract Specialist Position Amount:\$ 58,025	Procurement position to support Children & Families and LRA, 75% and 25% respectively.	Workload data including number & type of contract issued. Timesheets showing actual program support	017-003
Economic Development Plan Amount:\$ 750,000	Board Introduced	None	017-004
Econ Dev Plan--Orange County Business Council Amount:\$ 0	\$200,000 set aside in Misc Fund (004) for OC Business Council	None	017-005

Final Budget and History:

Sources and Uses	FY 1999-2000 Actual Exp/Rev ⁽¹⁾	FY 2000-2001 Final Budget	FY 2000-2001 Actual Exp/Rev ⁽¹⁾	FY 2001-2002 Final Budget	Change from FY 2000-2001 Actual	
					Amount	Percent
Total Positions	N/A	124	N/A	130	130	0
Total Revenues	4,987,526	3,259,718	3,466,782	2,527,811	(938,971)	(27)
Total Requirements	15,036,217	17,787,005	14,406,151	20,590,675	6,184,524	43
Net County Cost	10,048,691	14,527,287	10,939,369	18,062,864	7,123,495	65

(1) Amounts include prior year expenditures and exclude current year encumbrances. Therefore, the totals listed above may not match Total FY 2000-01 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: COUNTY EXECUTIVE OFFICE in the Appendix on page 522.

Budget Units Under Agency Control

No.	Agency Name	COUNTY EXECUTIVE OFFICE	COUNTY FINANCIAL OFFICE	INFORMATION & TECHNOLOGY	HUMAN RESOURCES	STRATEGIC & INTERGOV AFFAIRS	TOTAL
016	RECOVERY COP LEASE FINANCING	0	63,743,036	0	0	0	63,743,036
017	COUNTY EXECUTIVE OFFICE	2,863,955	5,532,248	1,267,319	4,809,753	6,117,400	20,590,675
018	PROFESSIONAL CONSULTANTS RECOVERY	0	0	0	0	0	0
019	CAPITAL ACQUISITION FINANCING	0	7,244,819	0	0	0	7,244,819
023	PROTOCOL OFFICE	0	0	0	0	206,111	206,111
036	CAPITAL PROJECTS	0	46,780,083	0	0	0	46,780,083
038	DATA SYSTEMS DEVELOPMENT PROJECTS	0	0	17,001,781	0	0	17,001,781

Budget Units Under Agency Control

No.	Agency Name	COUNTY EXECUTIVE OFFICE	COUNTY FINANCIAL OFFICE	INFORMATION & TECHNOLOGY	HUMAN RESOURCES	STRATEGIC & INTERGOV AFFAIRS	TOTAL
056	EMPLOYEE BENEFITS	0	0	0	5,462,306	0	5,462,306
081	TRIAL COURTS	0	66,982,913	0	0	0	66,982,913
099	PROVISION FOR CONTINGENCIES	0	6,000,000	0	0	0	6,000,000
104	CRIMINAL JUSTICE FACILITIES - ACO	0	8,467,278	0	0	0	8,467,278
105	COURTHOUSE TEMPORARY CONSTRUCTION	0	4,800,262	0	0	0	4,800,262
135	REAL ESTATE DEVELOPMENT PROGRAM	0	155,581	0	0	0	155,581
13A	LITIGATION RESERVE ESCROW	0	181,345	0	0	0	181,345
13D	TSR TAX-EXEMPT DS FUND	0	0	0	0	0	0
13E	TSR TAXABLE DS FUND	0	0	0	0	0	0
13F	TSR TAX-EXEMPT PROCEEDS	0	0	0	0	0	0
13G	TSR NON-PROFIT ENDOWMENT FD	0	0	0	0	0	0
13H	TSR RESIDUAL FUND	0	0	0	0	0	0
13L	TELECOMMUNICATIONS 2001 EQUIPMENT FUND	0	0	8,566,688	0	0	8,566,688
13N	OC TOBACCO SETTLEMENT FUND	0	28,842,072	0	0	0	28,842,072
14B	COUNTY PUBLIC SAFETY SALES TAX EXCESS REVENUE	0	26,610,211	0	0	0	26,610,211
14F	DEFERRED COMPENSATION REIMBURSEMENT (CEO)	0	0	0	7,732,458	0	7,732,458
14K	PROBATE COURT IMAGING SYSTEM	0	0	0	0	0	0
14L	LOCAL LAW ENF BLOCK GRANT	0	269,700	0	0	0	269,700
14N	SUPERIOR COURT ICMS PHASE III ACQUISITION	0	2,580,851	0	0	0	2,580,851
14S	OC CHILDREN & FAMILIES COMMISSION	0	0	0	0	0	0
14U	COURT FACILITIES FUND	0	2,527,483	0	0	0	2,527,483
14V	DEBT PREPAYMENT FUND	0	59,651,000	0	0	0	59,651,000
14X	TOBACCO SETTLEMENT FUND	0	5,562,000	0	0	0	5,562,000
14Y	INDEMNIFICATION RESERVE	0	1,139,062	0	0	0	1,139,062
14Z	LITIGATION RESERVE	0	3,161,243	0	0	0	3,161,243
15J	PENSION OBLIGATION BONDS DEBT SERVICE	0	188,398,000	0	0	0	188,398,000
15P	REFUNDING RECOVERY BONDS	0	46,000,000	0	0	0	46,000,000
15R	DEBT REDUC/FUTURE ESSENTIAL OPERATING REQUIREMENTS	0	273,141	0	0	0	273,141
15S	DESIGNATED SPECIAL REVENUE	0	74,412,381	0	0	0	74,412,381

Budget Units Under Agency Control

No.	Agency Name	COUNTY EXECUTIVE OFFICE	COUNTY FINANCIAL OFFICE	INFORMATION & TECHNOLOGY	HUMAN RESOURCES	STRATEGIC & INTERGOV AFFAIRS	TOTAL
15T	RESTRICTED REFINANC'G PROCEEDS	0	1,044,255	0	0	0	1,044,255
15V	SUPERIOR COURT ICMS PHASE II ACQUISITION	0	0	0	0	0	0
289	INFORMATION & TECHNOLOGY ISF	0	0	47,378,333	0	0	47,378,333
291	UNEMPLOYMENT ISF	0	0	0	4,573,983	0	4,573,983
292	COUNTY INDEMNITY HEALTH ISF	0	0	0	49,221,094	0	49,221,094
293	WORKERS' COMPENSATION ISF	0	30,050,526	0	0	0	30,050,526
294	PROPERTY & CASUALTY RISK ISF	0	15,551,394	0	0	0	15,551,394
295	RETIREE MEDICAL ISF	0	0	0	41,337,095	0	41,337,095
298	SELF-INSURED BENEFITS ISF	0	0	0	4,916,132	0	4,916,132
599	OC SPECIAL FINANCING AUTHORITY	0	200,538,000	0	0	0	200,538,000
9A0	PUBLIC FINANCING PROGRAM (PGM III)	0	62,016,747	0	0	0	62,016,747
9B0	PUBLIC FINANCING PROGRAM (PGM V)	0	100,934,035	0	0	0	100,934,035
9C0	PUBLIC FINANCING PROGRAM (PGM VI)	0	258,414,415	0	0	0	258,414,415
Total		2,863,955	1,317,864,081	74,214,121	118,052,821	6,323,511	1,519,318,489